

**METHOD OF SECURITIZING A PORTFOLIO
OF AT LEAST 30% DISTRESSED COMMERCIAL LOANS**

ABSTRACT OF THE DISCLOSURE

A platform and a securitization methodology that provides lenders with an opportunity to maximize the returns on their distressed commercial credit facilities and overcomes the obstacles that have historically precluded the securitization of distressed commercial loans. The present invention is based upon an underlying portfolio of at least 30% distressed commercial loans for securitization that emulates the predictability and regularity of the cash flow and recovery characteristics of a portfolio of generally performing commercial loans, thus eliminating crucial historical barriers to securitization of such distressed commercial loans, such as the absence of predictable and regular cash flows and predictable recoveries. The methodology of the present invention takes a specified mix of distinct classifications of distressed commercial loans with specified characteristics in confluence with structural specifications, such as specific reserves and safeguards, to create a synthetic asset class that emulates the characteristics of a portfolio of performing loans.